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Press Conference  
GLOBAL ASPECTS OF ENERGY CRISIS DISCUSSED  
BY SECRETARY KISSINGER, WILLIAM SIMON

FOR IMMEDIATE RELEASE

Press conference by Secretary of State Henry A. Kissinger  
and Federal Energy Administrator William Simon, in the  
International Conference Room of the Department of  
State, January 10, 1974.

SECRETARY KISSINGER: Well, I wanted to welcome His Majesty, the Energy Czar, to the State Department. We will do this press conference in two parts. I will talk about the foreign policy aspects of the President's letter to the consumer nations and also to the OPEC members, and Mr. Simon will discuss the relationship of this initiative to the domestic energy concerns, and we will both take questions on that subject. Then, at an appropriate point, we will switch to other foreign policy subjects which I alone will answer, Mr. Simon. (Laughter.)

MR. SIMON: I can understand that, because at the appropriate time, Mr. Secretary, you will press a button and I will disappear into the ground. (Laughter.)

SECRETARY KISSINGER: So, let me discuss the philosophy and intention behind the letters which the President has sent yesterday to the consuming nations, as well as to the members of OPEC.

It is the President's conviction that the energy crisis reflects a basic problem for the entire international community for the foreseeable future, that today concerns energy, but that in the future may concern other raw materials or foodstuffs where incentives for supply are out of proportion to the demand.

We face two major problems in connection with energy.

One is that demand has far outstripped incentives for supply. The second is that the rise in prices that has been decided upon by the OPEC countries recently, and the pattern that may be established as a result of this, may have a revolutionary impact on the world economy, affecting balance of payments of all of the advanced as well as the less developed consuming nations, and creating a situation in which the producing nations as well can become victims of their own actions, and in which there exists as of this moment no framework in which comprehensive long-range decisions can be taken.

If anything was needed to illustrate the interdependence of nations in this world, it is what has happened in the field of energy.